

RECORDATION NO.

21686-L  
FILED

OCT 10 '06

3-29 PM

SURFACE TRANSPORTATION BOARD

ALVORD AND ALVORD  
ATTORNEYS AT LAW  
1050 SEVENTEENTH STREET, N.W.  
SUITE 301  
WASHINGTON, D.C.

20036

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

October 10, 2006

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Memorandum of Commercial Security Agreement, dated as of August 1, 2006, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memoranda of Railcar Lease and Memorandum of Amendment of Lease previously filed with the Board under Recordation Numbers 21686-G and 21686-J, respectively.

The names and addresses of the parties to the enclosed document are:

Lender: The Bank of Edwardsville  
330 West Vandalia  
Edwardsville, Illinois 62025

Grantor: Midwest Railcar Corporation  
4949 Autumn Oaks Drive  
Maryville, Illinois 62062

Mr. Vernon A. Williams  
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A description of the railroad equipment covered by the enclosed document is:

51 railcars: now MWCX 460574 - MWCX 460624, and formerly within the series GRPX 944013, GRPX 944442, GRPX 944452 and CEFX 15000 – CEFX 15742; CEFX 17061 – CEFX 17754 and CEFX 151877 – CEFX 152300, as more particularly set forth in the equipment schedule attached to the document,.

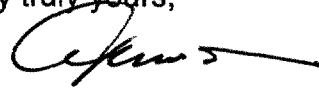
A short summary of the document to appear in the index is:

Memorandum of Commercial Security Agreement.

Also enclosed is a check in the amount of \$32.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm  
Enclosures

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SURFACE TRANSPORTATION BOARD

**MEMORANDUM OF COMMERCIAL SECURITY AGREEMENT**

**BETWEEN**

**THE BANK OF EDWARDSVILLE  
("LENDER")**

**AND**

**MIDWEST RAILCAR CORPORATION  
("GRANTOR")**

**August 1, 2006**

Memorandum of Commercial Security Agreement made and entered into as of August 1, 2006, by and between The Bank of Edwardsville, an Illinois corporation ("Lender"), and Midwest Railcar Corporation, an Illinois corporation ("Grantor").

**WITNESSETH:**

To secure all obligations of the Grantor under a certain Commercial Security Agreement dated as of August 1, 2006 (the "Security Agreement"), and that certain Promissory Note dated August 1, 2006, Grantor hereby assigns to Lender all of Grantor's rights, title and interest in, the railcars set forth and described on the Schedule of Railcars attached hereto (the railcars on the aforementioned Schedule of Railcars shall hereinafter be called the "Railcars"), as such Schedule of Railcars may be amended from time to time, and grants to Lender a first priority security interest in: (i) the Railcars; (ii) Grantor's interest in accessions, accessories, equipment, appurtenances and replacement and added parts appertaining or attached to any of the Railcars owned or hereinafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any of the Railcars, together with all the rents, issues, income, profits, proceeds and avails therefrom and the proceeds thereof; (iii) all proceeds and all present and future evidences of rights to payment, (including, without limitation, insurance and indemnity payments) due or to become due to Grantor on account of the lease, sale, loss or other disposition of the Railcars; (iv) that certain Schedule No. 07 to Master Railcar Lease, made as of June 11, 2003, as amended by an Amendment No. 1 to Lease Schedule No. 07, dated as of April 21, 2005, and as extended by an Extension to Lease Schedule No. 07, dated as of October 31, 2003, and as further extended by an Extension to Lease Schedule No. 07, dated as of March 29, 2006 ("Schedule No. 07"), by and between PCS Nitrogen Fertilizer, L.P. (the "Lessee"), and The CIT Group/Equipment Financing, Inc. ("CIT") and subsequently assigned by CIT to Midwest Railcar Corporation ("Lessor") on August 1, 2006, incorporating the terms of that certain Master Railcar Lease, made as of September 17, 1998, by and between the Lessee and CIT (the "Master Lease Agreement")(Schedule No. 07, incorporating the Mater Lease Agreement, as it relates only to the 51 railcars, the "Lease"), and any additional Equipment Riders and schedules thereto (together, the "Lease") and all bills of sales or other similar documents, agreements and instruments relating to the Railcars, and all other leases, chattel paper, agreements, accounts, bank or deposit accounts and instruments relating to the Railcars, whether now existing or hereafter arising (collectively, the "Documentary Security" or "Security Documentation"), together with all of Grantor's estate, right, title, interest, claims and demands in, to and under such documents, agreements and instruments including all extensions of any of the terms thereof, together with all rights, powers, privileges, options, and other benefits of Grantor including without limitation the right to receive notices, give consents, exercise any election or option, declare defaults and demand payments thereunder, and (v) all rent, damages and other moneys from time to time payable to or receivable by Grantor under the Documentary Security (the Railcars, Documentary Security, proceeds, rights, claims and causes of action described in items (i) through (v) above being herein sometimes collectively called the "Collateral"), to have and to hold all and every part of the Collateral unto Lender, and its successors and assigns, for its and their own use and benefit forever.

This Memorandum of Commercial Security Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but together only one Memorandum of Commercial Security Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

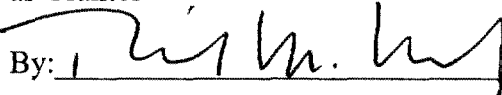
THE BANK OF EDWARDSVILLE, as Lender

By: 

Title: Senior Vice President

Date: 8-1-06

MIDWEST RAILCAR CORPORATION,  
as Grantor

By: 

Title: President

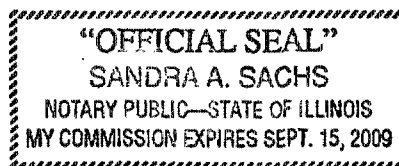
Date: 7-31-06

STATE OF Illinois )  
 ) ss.  
COUNTY OF Madison )

On this 1 day of August 2006, before me personally appeared William D. Barlow, to me personally known, who being by me duly sworn, says that he is the Senior Vice President of The Bank of Edwardsville, that the foregoing instrument was signed on behalf of said national banking association, and he acknowledged that the execution of the said instrument was his free act and deed.

Sandra A. Sachs  
NOTARY PUBLIC

My commission expires: Sept 15, 2009

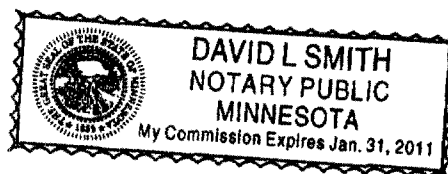


STATE OF MN )  
 ) ss.  
COUNTY OF Shenburne )

On this 1 day of August, 2006, before me personally appeared Richard M. Murphy III, to me personally known, who being by me duly sworn, says that he is the President & CEO of Midwest Railcar Corporation, an Illinois corporation that the foregoing instrument was signed on behalf of Midwest Railcar Corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

David L. Smith  
NOTARY PUBLIC

My commission expires: 1-31-11



## SCHEDULE OF RAILCARS

### Fifty-one (51) Units

Fifty-one (51) 4,750 c.f., covered hopper cars with the following marks and numbers:

<u>Prior</u> <u>Car Number</u>	<u>New</u> <u>Car Number</u>	<u>Prior</u> <u>Car Number</u>	<u>New</u> <u>Car Number</u>
CEFX 15000	MWCX460574	CEFX 17163	MWCX460605
CEFX 15003	MWCX460575	CEFX 17168	MWCX460606
CEFX 15006	MWCX460576	CEFX 17189	MWCX460607
CEFX 15010	MWCX460577	CEFX 17198	MWCX460608
CEFX 15014	MWCX460578	CEFX17203	MWCX460609
CEFX 15015	MWCX460579	CEFX 17383	MWCX460610
CEFX 15023	MWCX460580	CEFX 17453	MWCX460611
CEFX 15027	MWCX460581	CEFX 17714	MWCX460612
CEFX 15032	MWCX460582	CEFX 17754	MWCX460613
CEFX 15034	MWCX460583	CEFX 151877	MWCX460614
CEFX 15043	MWCX460584	CEFX 151898	MWCX460615
CEFX 15054	MWCX460585	CEFX 151910	MWCX460616
CEFX 15055	MWCX460586	CEFX 151946	MWCX460617
CEFX 15062	MWCX460587	CEFX 151954	MWCX460618
CEFX 15066	MWCX460588	CEFX 151977	MWCX460619
CEFX 15074	MWCX460589	CEFX 152012	MWCX460620
CEFX 15079	MWCX460590	CEFX 152300	MWCX460621
CEFX 15091	MWCX460591	GRPX 944013	MWCX460622
CEFX 15097	MWCX460592	GRPX 944442	MWCX460623
CEFX 15256	MWCX460593	GRPX 944452	MWCX460624
CEFX 15296	MWCX460594		
CEFX 15433	MWCX460595		
CEFX 15671	MWCX460596		
CEFX 15728	MWCX460597		
CEFX 15742	MWCX460598		
CEFX 17061	MWCX460599		
CEFX 17078	MWCX460600		
CEFX 17107	MWCX460601		
CEFX 17131	MWCX460602		
CEFX 17153	MWCX460603		
CEFX 17159	MWCX460604		